(d) what was the earlier price and the revised price of Vitamin-C and its salts and what is the percentage of increase; and

(e) what steps have been taken to identify the source of discrepancy in the BICP and fix the responsibility for the same?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (e) The prices of Vitamin-C and its salts were revised on the basis of cost-cum-technical study conducted by BICP which was submitted to the Ministry in the month of January, 1990. The same report was scrutinised and examined and some clarifications were sought from BICP by this Department. Based on this exercise the prices of Vitamin-C & its salts were revised and notified in the Gazette w.e.f. 9-2-1990.

Recently the Government has revised the prices of Vitamin-C and its salts. The revised prices and earlier prices of Vitamin-C and its salts and the percentage increase are as follows:

Sl. No.	Name of the bulk drug	Revised price (Rs./kg.)	Earlier price (Rs./kg.)	% increase
1.	Vitamin-C Plair	325·00	294·00	10·54
2.	Vitamin-C Coated	233·00	292·00	14·04
3.	Sodium Ascorbate	341·00	301·00	13·2

Non-payment of Income-tax by certin Drug Companies

1653. SHRI ASHOK NATH VERMA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that certain drug companies have shown liabilities in their accounts books or balance sheets;

(b) whether it is also a fact that those companies have not paid income tax and also deprived shareholders;

(c) what are the names of those companies and amount shown by each company;

(d) what is the assessment made against each company and period for which it is made;

(e) what is the amount paid by each company;

(f) whether it is a fact that companies are utilising the due amount without any interest; and

(g) if so, what are the details and what steps have been taken to recover the interest on amount utilised by them?

THE MNISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI CHINTA MOHAN): (a) to (g) As per the available information, M|s. Glaxo did make a provision of Rs. 30.86 crores in its accounts for 1987-88 as its liability for DPEA claims, which in the next year's accounts was reduced by it to Rs. 25.63 crores. The Govt's tentative assessment of M|s. Glaxo's liability for the period 1981—87, however, comes to Rs. 71.78 crores against which the company has so far paid Rs. 8.19 crores. The company has field a Writ Petition in the Delhi High Court against the tentative liability computed by the Govt. and the matter is, therefore *sub-judice*. The position about the Company's default, if any to the income tax Deptt. and|or the shareholders, on this account, is not available with this Ministry. The case for charging interest from the date of default, as envisaged under Section 7-A of the Essential Commodities Act, would arise after the liabilities are finally determined.

Information about any other company which has shown its liabilities under DPCOs, in its accounts/balances sheets etc, will be collected and laid on the Table of the House.

Studying conversion cost and packing charges by BICP

1654. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that BICP has been asked to study conversion cost and packing charges in respect of drug formulations;

(b) if so, when;

(c) whether it is also a fact that manufacturers have refused to give data to BICP;

(d) what are the names of the manufacturers who are called upon to give data and what are the names of those who have given data so far;

(e) when BICP did study and what are the names of the companies whose data were studied;

(f) whether BICP has submitted its report; and

(g) if so, when and what are the main recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (g) In December, 1990, BICP was requested to undertake a fresh study with regard to conversion cost and packing charges in respect of drug formulations. The study report of BICP on the subject is awaited.

Incentives to Drug Industry for Research and Development

1655. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) what are the various Research incentives given to the drug industry for Research and Development in costing of bulk drug prices;

(b) what is the justification for each of these incentives;

(c) whether it is a fact that Government are giving these incentives even if a drug is produced from imported penultimate/intermediate;

(d) if so, what are the names of drugs being produced from intermediate stage where incentive has been given during the last three years, year-wise; and

(e) what are the details of incentives given on each of these drugs?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The incentives given to drug industry based on the recommendations of Kelkar Committee for Research & Development in costing of bulk drugs pricing are as follows:—

(i) Exemption from price control to the companies in respect of the drugs for which technology has been developed by them through own R&D efforts or through National Labs. for a period of 5 years from the date of commercial production.

(ii) Allowing retention of 50 per cent reduction in cost of drugs due to process development efforts by drug companies.

(c) to (e) The details of benefit on account of exemption from price control to the companies in respect of drugs for which technology has been developed by them through ow R&D efforts or through National Labs. during the last three years, are given in the annexed Statement. These drugs are being produced from the basic stage.

The benefit on account of allowing retention of 50 per cent reduction of costs on drug due to R&D efforts by the drug companies have not been extended to any company so far.